



REGIONAL  
BOND DEALERS  
ASSOCIATION

500 New Jersey Ave., NW  
Sixth Floor  
Washington, DC 20001  
202-509-9515

September 8, 2009

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F St., NE  
Washington, DC 20549

Comments in regard to File Number SR-MSRB-2009-12

Dear Ms. Murphy,

The Regional Bond Dealers Association (“RBDA”) is pleased to submit comments on The Municipal Securities Rulemaking Board’s (“MSRB’s”) Filing of Proposed Rule Change Relating to Amendments to Rule G-11(i) (Settlement of Syndicate or Similar Account), Rule G-11(j) (Payment of Designations), and Rule G-12(i) (Settlement of Joint or Similar Account). The RBDA is the organization of regional securities firms active in the U.S. bond markets.

The MSRB has proposed rule changes designed to mitigate the risk faced by members of municipal bond underwriting syndicate accounts and secondary market trading accounts that the syndicate or secondary market trading account manager could become bankrupt or insolvent during the time between the day the transaction closes and the day the syndicate or secondary market trading account is closed. We generally support the spirit of the MSRB’s proposals and we applaud the MSRB for acting to reduce risks faced by syndicate members.

With regard to the rule proposal itself, we support the proposal to amend Rule G-11(i) to reduce the time period for closing syndicate accounts to 30 calendar days after the bond closing. We also support the proposed amendment to Rule G-12(i) to reduce the time to close joint or similar accounts—secondary market trading accounts—to 30 calendar days after the date all securities have been delivered by the syndicate or account manager to the syndicate or account members (“delivery date”). We believe both these changes are reasonable given improvements in technology and billing that have evolved since the original Rules G-11 and G-12 were adopted in the 1970s. They would also benefit the market by reducing the time that members of a syndicate or joint or similar accounts are potentially exposed to the bankruptcy or insolvency of the syndicate or account manager and would help promote fairness by reducing the time that payments due to syndicate or account members earn “float” for managers. Our members generally close syndicate and joint or similar accounts within 30 days of bond closing or delivery date under the current rule, so the MSRB’s proposed amendments would not involve a significant change of practice for many firms.

The MSRB has also proposed amendments to Rule G-11(j) related to payments of designations. The MSRB's proposal would reduce the time for payments of designations to syndicate members by syndicate managers from 30 calendar days after bond closing to 10 days and would mandate that syndicate members submit designations to the syndicate manager within two days after closing.

We feel that deadlines of two days for submissions of designations and 10 days for payments of designations is too short and would create undue burdens for both syndicate members and managers. We recommend that the MSRB maintain the current 30-day deadline for the payments of designations. Maintaining the current 30-day deadline for designations would also create a more consistent rule by having a single, 30-day deadline for payments of designations, closing syndicate accounts and closing joint and similar accounts. Moreover, it would be responsive to comments received by the MSRB to its draft rule proposal objecting to the two- and 10-day deadlines regarding designations.

We commend the MSRB for its attention to the issue of risk faced by syndicate members of exposure to the possible bankruptcy or insolvency of syndicate managers. We believe the MSRB's proposals would help mitigate that risk. The proposal to reduce the time for payments of designations to 30 days of closing and to mandate the submissions of designations with two days of closing, however, would be unduly burdensome. The current 30-day requirement for payments of designations should be maintained. We urge the SEC to approve the MSRB's proposal with the changes we specified.

Thank you for the opportunity to present our comments. Please contact us if you have any questions.

Sincerely,

/s/

Michael Decker  
Co-Chief Executive Officer

/s/

Mike Nicholas  
Co-Chief Executive Officer